



# Sanjeevani

*Meeting your medical needs*

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## Overview

Sanjeevani aims to serve people by providing timely, high value and convenient medical services to meet their health needs. Considering the current lack of professional emergency medical services or convenience medical services for patients in India, there is a severe market need for an efficient and effectively run service-provider of this nature, in every urban center.

### **The Business Model – the description**

Our business model stands on three pillars – emergency healthcare, admit assistance and preventive healthcare. Emergency healthcare concerns the battery of emergency vehicles and medically trained professionals which have been optimally distributed within the city to reach customers within 15 minutes of making the emergency call. On receiving the call, call-center employees would trigger through an information system the dispatch of the nearest available emergency vehicle.

At the same time, another company employee would set-out for the destination hospital to aid patient's family in completing the registration process (admit assistance). All required advance payments would be made by the company representative, thus freeing patient's family from such untimely hassles. This is a critical part of our service since arranging cash and completing admission formalities at such an inopportune hour can be extremely difficult.

*Both emergency healthcare and admit assistance compose our core services, an integral part of all packages offered.*

In addition to our emergency care services, customers have the option of signing up for preventive medical services. These services include physician checkup, specialist consultancy, laboratory tests and cardiac check-ups. The services are packaged along with core services based on the nature of test/ checkups and their periodicity. The detailed checkup results are then uploaded on the web, which can then be shared with family members living away.

A customer can register for our service by signing up for one of the packages offered. The payment fee would consist of two elements, a refundable deposit and an annual component. The refundable deposit will be a one-time payment for registering a user and any subsequent service renewal would only entail the yearly fee. The refundable deposit would be set-off against any advance admit payments made on behalf of the client by Sanjeevani. Yearly fee for various packages has been specified in **Appendix 1**.

### **Need gap being addressed – the benefits**

Sanjeevani is an effective and sustainable attempt at filling the supply-demand gap in the healthcare industry by serving medical needs of the elderly through innovative solutions. With more Indians living away from their parents, there exists a need for a service that guarantees timely emergency services and periodic health check-up information for aged people living alone or away from their immediate family members.

The novelty of the business plan lies in the optimized distribution of emergency vehicles within the city to reach patients within a guaranteed time of making the call. A careful profiling of all customers is done and they are divided into clusters. Ambulances are then stationed such that each cluster can be reached within 15 minutes of receiving the emergency call.

## Market Analysis

The service will be targeted at urban consumers with a focus on metros. The target audience of the service is anyone in need of an emergency medical service. Accordingly, the core consumers of the service were determined as people in the age group of 55 and above with moderate to high income (SEC A, B) and living alone away from their children (e.g. parents of Non-Resident-Indians - NRI).

It is observed that the consumers with the target profile are situated in large number in certain pockets of the city. Hence, the service would be marketed to the target consumers through old age clubs, laughter clubs and other places which enable socializing among the old people. Awareness can be built by sponsoring events involving elderly like 'pooja' occasions and other community festivals. This is again in line with the objective to ensure that the promotion takes the form of word-of-mouth publicity, enabling large participation from a small geographical reach.

The second part would be to inform and educate the NRI children of the target consumers through trade shows and seminars abroad. The web would also be used as a major means of marketing to reach this NRI segment. Awareness can be built by associations/ sponsorship of Indian community festivals, which are essential networking events for segment. Thus, marketing activities will be aimed at targeting both the consumer and the customer of the service, to achieve a high success and penetration rate.

## The Management Team

Partners in company equity would be its three stakeholders – Anuj Jail, Nipun Sareen and Gaurav Goyal. Currently, all three are final year MBA students at IIM, Calcutta. Their expertise lies in their immense leadership and management skill, which they have proved repeatedly over their academic lives. Currently, the core team is short of experience in the healthcare sector.

To bridge this knowledge gap, two eminent medical professionals have consented to help us as consultants. Dr. Anish Agarwal is a practicing pain specialist in the North Indian city of Ghaziabad, and has been running his own medical hospital for the past 10 years. Dr. Ajit Kumar Goel, our second consultant, is heart specialist by profession and has been involved with medicine for the past 20 years. He is currently working as a Sr. Physician in Hindu Rao Hospital, Delhi. We are sure that their knowledge and wealth of experience would help us achieve success in our venture.

## Revenue Model

The revenue projections and breakeven analysis of the first four years of operation are provided in the table below (**Appendix 2**). According to these conservative estimates we are breaking even in the third year of operation itself. This in spite of the fact that the fixed costs which form a major component are front loaded.

In addition, the deposits charged would partially service the capital requirements. This has not been included in the initial capital requirements shown in the table below (**Appendix 3**). The

initial capital required based on our estimates is USD 689,515 which includes investment in staff, establishment costs and other miscellaneous expenses.

**Appendix 1: Cost Structure of various packages**

Packages	cost (\$)	Details
Basic checkup 1	125	12 Physician Checkups, 4 Basic Blood tests, 4 Basic Lab Test
Basic checkup 2	200	6 Physician Checkups, 3 Basic Blood tests, 3 Basic Lab Test
Basic checkup 3	125	6 Physician Checkups, 2 Basic Blood tests, 2 Basic Lab Test
Master Checkup 1	425	12 Physician Checkups, 2 Specialist consultancy, 4 Special Blood tests, 4 Special Lab Test
Master Checkup 2	300	6 Physician Checkups, 1 Specialist consultancy, 3 Special Blood tests, 3 Special Lab Test
Master Checkup 3	225	6 Physician Checkups, 1 Specialist consultancy, 2 Special Blood tests, 2 Special Lab Test
Executive Checkup 1	275	1 Basic Checkup 1, 1 cardiac checkup, 2 free medicine deliveries
Executive Checkup 2	450	1 Master Checkup 1, 1 cardiac checkup, 2 free medicine deliveries
Family Checkup 1	400	2 Basic checkup 2, 2 cardiac checkup, 4 free medicine deliveries
Family Checkup 2	600	2 Master checkup 2, 2 cardiac checkup, 4 free medicine deliveries

**Appendix 2: Revenue projections and breakeven analysis**

Year		2007		2008		2009		2010
<b>Costs</b>								
<b>Personnel</b>								
Doctors (12,000 per month)	7	50400	13	93600	21	151200	28	201600
Ambulance Drivers (6000 per month)	7	25200	13	46800	21	75600	28	100800
Administrative Staff (8000 per month)	5	24000	10	48000	10	48000	10	48000
<b>Equipment</b>								
Ambulance+Medical Equipment	7	455000	13	390000	21	520000	28	455000
Diesel	25 Rs.	6250	25 Rs.	12500	25 Rs.	18750	25 Rs.	25000
<b>Maintenance &amp; Repair</b>	5%	22750	5%	42250	5%	68250	5%	91000
<b>Average cost of checkups</b>	1500 Rs.	82436.244	1500 Rs.	28795.95	1500 Rs.	560566.458	1500 Rs.	948016.8035
<b>Marketing Costs</b>	7%	19235.112	5%	43966	4%	74742.1945	4%	126402.2405
<b>Overheads</b>								
Website		12500		12500		12500		12500
Miscellaneous Overheads	3%	8243.6445	3%	26379.585	3%	56056.646	3%	94801.6805
<b>Total</b>		706015.0005		744791.535		1585665.299		2103120.725
<b>Revenue</b>								
No. of Patients enrolled	1099		3517		7474		12640	
No. of Clusters	5		10		17		23	
Penetration	10%		16%		20%		25%	
Charge Per head Per Year	5,000.00		5,000.00		5,000.00		5,000.00	
<b>Total</b>		274787.5		879319.9		1868555		3160056
<b>Profit</b>		\$ (431,227.51)		\$ (100,471.64)		\$ 282,889.56		\$ 1,056,935.29
<b>Cumulative Profit</b>				\$ (531,699.15)		\$ (248,809.59)		\$ 808,125.70

**Appendix 3: Initial Capital Requirements**

Initial Capital requirements			
Expenses		Sources	
<b>Personnel</b>		<b>Equity</b>	
Doctors	50400	Owners Equity (Rs. 3,000,000*2)	300000
Ambulance Drivers	25200	Investment form friendly investors (Rs. 200,000*8)	80000
Administrative Staff	24000	Angle Investment	150000
<b>Equipment</b>		<b>Debt</b>	159514.9915
Ambulance	455000	<b>Ratios</b>	
Medical Equipment	6250	debt/equity	30%
<b>Cost of Checkup</b>	82436.24	Owners stake in equity	72%
<b>Overheads</b>		Angle investors stake in equity	28%
Website	12500		
Miscellaneous	33728.75		
<b>Total</b>	<b>689515</b>	<b>Total</b>	<b>689514.99</b>